
Federal Deposit Insurance Corporation

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FFIEC's Call Report Modernization Project Overview of Call Report Modernization Project

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Call Report Modernization Project Goals

- ❖ Update the process by which Call Report data are defined, managed and used
- ❖ Gain industry-wide efficiencies in the exchange of financial data by using the Internet and XML-based standards
- ❖ Create an extensible platform for current and future reporting needs

Call Report Modernization Project

- ❖ FFIEC Call Agencies
 - FDIC, FRB and OCC
- ❖ Contract awarded to Unisys Team 5/03
 - Partners: PWC, Microsoft, UBMatrix, Edgar Online, IDOM, V-Tech Solutions
 - Dave Hoffman and Raj Tewari, Unisys Partners
 - Tom Bonina, Unisys Program Manager
- ❖ System development will take about a year
- ❖ Operational launch is anticipated for 10/04 using third quarter Call Report data

What is Changing?

- ❖ Moving from agency-focused to industry-focused for the long view
- ❖ Shifting from form-centric to data-centric
- ❖ Shifting from proprietary standards to open standards
- ❖ Reducing redundancies among agencies using centralized facility

What are the Business Issues?

- ❖ Decrease the time between the receipt of data and the release of data to the public
- ❖ Decrease the cost of data collection for all parties
- ❖ Improve data transparency through defined open standards
- ❖ Create a flexible system that can accommodate evolving business needs
- ❖ Provide best information and tools to help financial institutions meet their obligations for submitting timely and accurate reports

Why XBRL for Call Reports?

- ❖ Provides foundation data for bank supervision and industry analysis
- ❖ Data structures are well-documented
 - More than 8,300 institutions report quarterly
 - Currently collect 2,000 data fields
 - Nearly 400 pages of instructions

- 1,500 edit formulas to promote data quality
- ❖ Promotes effective data exchanges across legacy systems without significant re-programming

Major Business Model Changes - Agencies

- ❖ What's New
 - Centralized data storage and processing facility
 - Shared costs and management
 - Meta-data published in XBRL format
 - Historical data available for banks and vendors
 - Expedited data publication
- ❖ What's the Same
 - Timely and accurate Call Report requirements
 - Customer service for requirements; exceptions and accounting rules

Major Business Model Changes - Banks

- ❖ What's New
 - Elimination of paper-based meta-data materials (forms, instructions, validation criteria)
 - Pre-validation of data required
 - Math and logic errors eliminated before processing
 - Quality edit variances require explanation
 - Internet delivery of data to CDR
 - More responsibility for amended data
- ❖ What's the Same
 - Ultimate responsibility for data
 - Relationship with software providers
 - Little or no impact on legacy systems

Major Business Model Changes - Vendors

- ❖ What's New
 - Meta-data management process centralized
 - XBRL inputs and outputs
 - Support pre-validation requirement
 - Support reporter authentication, authorization and file format
 - Historical data available for edits
 - Potential for cost savings over time (ease of update, reusability)
- ❖ What's the Same
 - Continue to provide software and services
 - Ability to leverage processes and services to customers

Expected Results

- ❖ Faster exchange of data between banks and FFIEC Call Agencies
- ❖ Resources shared more effectively among FFIEC Call Agencies
- ❖ Easier accommodation of Call Report changes
- ❖ Long-term potential to facilitate bankers' reuse of data among multiple regulatory and internal reporting needs
- ❖ Provides structure for automating straight-through processing

Benefits for Bankers and Vendors

- ❖ XBRL can help lower long-term costs
 - Improved data quality and timeliness
 - Vendor products easier to maintain and leverage

- ❖ XBRL frameworks are extensible
 - Developing additional frameworks can be simplified when data requirements are shared
- ❖ Many institutions report similar data to federal, state and local governments
 - Consolidate efforts in the future

Focus Groups

- ❖ Facilitates communication and coordination with major stakeholders.
- ❖ Four major Focus Groups:
 - XBRL Standards Group
 - Technology Forecasting Group
 - Call Report Software Vendors
 - Reporting Financial Institutions

Bank Participation in the CDR Project

- ❖ Financial Institutions Focus Group
 - Current membership
 - Purpose
 - Responsibilities
 - Current activities
- ❖ Bank participation in testing phases

Current Membership

- ❖ FFIEC, Cindy Ayouch
- ❖ Unisys, Gary Irving, Dave Hoffman, Shaune Gokey
- ❖ American Bankers Association
- ❖ Independent Community Bankers of America
- ❖ Association for Financial Technology
- ❖ Six Financial Institutions of Various Sizes
- ❖ Federal Reserve Banks
- ❖ America's Community Banker
- ❖ New York Clearinghouse

Purpose

- ❖ Serve as a collaborative bridge between the CDR Project and the Financial Institution Community
- ❖ Support two-way communication about the project
- ❖ Identify potential problems early

Responsibilities

- ❖ Collaborate 2-3 hours per week in 2003/2004
- ❖ Actively participate in meetings
- ❖ Assist with message development and delivery

Current Activities

- ❖ Initial face-to-face meeting with industry associations September 17
- ❖ Conference calls October 23, November 19, December 19
- ❖ Soliciting banks to participate in testing
- ❖ Financial Institution letter with Sept 2003 Call Report mailing
- ❖ *Federal Register* notices

Timeline for Bank Participation in Testing

- ❖ Functional Pilot (3/31/04 – 4/30/04)
- ❖ CDR End-to-End Test (5/3/04 – 6/04/04)
- ❖ Rollout Pilot (100+ Bank Test) (7/06/04 – 9/03/04)
- ❖ Global Enrollment (6/14/04 – 9/07/04)
- ❖ CDR Launch (10/1/04 – 11/29/04)